(a) the date and the amount of the loan granted to the Sitaram Spinning and Weaving Mills, Ltd., Trichur ;

(b) the date fixed for the repayment of the loan ;

(c) reasons for failure to make the repayment in the date fixed ;

(d) the repeated dates of extensions granted to make a full settlement of the amounts due ;

(e) the amount in interest paid up-to-date ; and

(f) the amount of the balance of unpaid interest to date ?

Mr. K. Krishna Pisharodi.—(a) Rs. 2,50,000 on 4th Chingam 1099 and Rs. one lakh on 9th Kanni 1099.

(b)

1100 Karkadagam last		Rs. 50,000	As per original agreement.
1101	do	1,00,000	
1102	do	1,00,000	
1103	do	1,00,000	
1101	do	50,000	As per extension granted.
1102	do	1,00,000	
1103	do	1,00,000	
1104	do	1,00,000	

(c) Dullness of the cotton market.

(d) Vide answer to (b).

(e) Rs. 1,45,590.

(f) Nil.

Mr. C. Barton Wright.—May I ask, Sir, with regard to (c), whether that can be reasonably put forward as an excuse, for many other concerns were flourishing during these dull times? Can the Finance Member inform me whether the interest was paid from the legitimate profits?

President.—Is that a supplementary question or a fresh question?

Mr. C. Barton Wright.—I am asking for information. I want to know whether that is out of order.

President.—It must arise out of the answers given. The simple question was what the amount of interest was, and in the answer the amount is given. Now your question is whether this amount was paid out of the legitimate profits of the Company. That appears to be a new question rather than a supplementary question. It is out of order.

Mr. C. Barton Wright.—May I ask when the last instalment was paid? Was it paid after my asking these questions?

Mr. K. Krishna Pisharodi.—It was paid on 22nd Makaram 1104.

President.—That is after these questions.

359. Mr. C. Barton Wright.—Will the Government be pleased to state :—

(a) whether any actual valuation of the assets of the

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Company was made before the grant of the loans by the Government officers, and if so, by whom and on how many occasions ;

(b) if so, what was the basis and amount of the valuation made ; and

(c) to place the Company's application for loan as also the whole file on the Table ?

Mr. V. K. Aravindaksha Menon.—(a) Yes ; by the Diwan Peishkar and the Chief Engineer once before the grant of the loan.

(b) The valuation was made on the basis of actual cost less depreciation, the building and machinery being valued at Rs. 7.09 lakhs.

(c) Government regret they cannot do this.

Mr. C. Barton Wright.—May I know whether the Chief Engineer had the assistance of a textile expert in making the valuation of the machinery?

Mr. V. K. Aravindaksha Menon.— In arriving at the cost of the machinery, we have been guided principally by the invoices of different firms, and we made a suitable reduction. We had no textile expert at the time of finding the cost of the machinery.

Mr. C. Barton Wright.—What is the depreciation you allow now?

Mr. V. K. Aravindaksha Menon.— I cannot at present say, I think.

Mr. C. Barton Wright.—That was running for 16 or 18 years.

Mr. V. K. Aravindaksha Menon.— At the time when I valued it, it was about 4 years ago, and then I gave a depreciation of about 10 per cent for every year.

President.—You have got permission to sit and speak, Mr. Barton Wright.

360. **Mr. C. Barton Wright.**—Will the Government be pleased to state:—

(a) whether the Government ordered any enquiry into the real value of the assets of the Company, and its financial position when extensions were granted for the repayment of the loan ;

(b) whether the Government is aware that the actual value of the Plant and Machinery given as security has depreciated since the date of the payment of the loan, and has provision been made for any such depreciations ;

(c) whether they are aware that it is insufficient for the amount due from the Company, especially in view of the accumulation of the balance of unpaid interest ; and

(d) whether they are not aware of the fact that no depreciation or Reserve Fund has been allowed by the Company ?

Mr. K. Krishna Pisharodi.—(a) Yes.

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